

§ 58-50A-95. Denial, suspension, or revocation of license.

(a) The Commissioner shall deny, suspend, or revoke a MEWA's license if the Commissioner finds that the MEWA:

- (1) Is insolvent;
- (2) Is using such methods and practices in the conduct of its business as to render its further transaction of business in this State hazardous or injurious to its participating employers, covered employees and dependents, or to the public;
- (3) Has failed to pay any final judgment rendered against it in a court of competent jurisdiction within 60 days after the judgment became final;
- (4) Is or has been in violation of or threatens to violate any provision of this Article;
- (5) Is no longer actuarially sound; or
- (6) Is charging rates that are excessive, inadequate, or unfairly discriminatory.

(b) The Commissioner may deny, suspend, or revoke the license of any MEWA if the Commissioner determines that the MEWA:

- (1) Has violated any lawful order or rule of the Commissioner; or any applicable provision of this Article; or
- (2) Has refused to produce its accounts, records, or files for examination under G.S. 58-50A-85 or through any of its officers has refused to give information with respect to its affairs or to perform any other legal obligation as to an examination.

(c) Whenever the financial condition of the MEWA is such that, if not modified or corrected, its continued operation would result in impairment or insolvency, in addition to any provisions in Article 30 of this Chapter, the Commissioner may order the MEWA to file with the Commissioner and implement a corrective action plan designed to do one or more of the following:

- (1) Reduce the total amount of present potential liability for benefits by reinsurance or other means.
- (2) Reduce the volume of new business being accepted.
- (3) Reduce the expenses of the MEWA by specified methods.
- (4) Suspend or limit the writing of new business for a period of time.

If the MEWA fails to submit a plan within the time specified by the Commissioner or submits a plan that is insufficient to correct the MEWA's financial condition, the Commissioner may order the MEWA to implement one or more of the corrective actions listed in this subsection.

(d) The Commissioner shall, in the order suspending the authority of a MEWA to enroll new insureds, specify the period during which the suspension is to be in effect and the conditions, if any, that must be met prior to reinstatement of its authority to enroll new insureds. The order of suspension is subject to rescission or modification by further order of the Commissioner before the expiration of the suspension period. Reinstatement shall not be made unless requested by the MEWA; however, the Commissioner shall not grant reinstatement if it is found that the circumstances for which suspension occurred still exist. (1991, c. 611, s. 1; 2019-202, ss. 2(h), 8.)